

MISCELLANEOUS

DESCRIPTION

There are several initiatives funded in the budget that are presented outside of a typical department. Generally, these expenditures are not unique to any

one department, but instead are more logically treated individually. The various individual items are consolidated in this section.

FINANCIAL ACTIVITY

	FY2001 Actual	FY2002 Adopted	FY2003 Adopted	FY2004 Planned	Change FY2002 to FY2003	Change FY2003 to FY2004	FY2005 Projected	FY2006 Projected
<u>Non-Departmental</u>								
Right-of-way	\$38,382	\$40,000	\$48,000	\$52,000	20.0%	8.3%	\$52,000	\$52,000
Economic Dev. Incentive	1,653,074	110,000	110,000	110,000	0.0%	0.0%	110,000	110,000
Other	<u>227,035</u>	<u>650,000</u>	<u>650,000</u>	<u>1,150,000</u>	0.0%	76.9%	<u>1,000,000</u>	<u>1,000,000</u>
Subtotal Non-Departmental	\$1,918,491	\$800,000	\$808,000	\$1,312,000	1.0%	62.4%	\$1,162,000	\$1,162,000
<u>Miscellaneous</u>								
Community Contracts	1,502,041	1,654,100	1,379,900	1,307,100	-16.6%	-5.3%	1,307,100	1,307,100
Convention Center	2,994,439	3,180,000	3,214,300	3,355,600	1.1%	4.4%	3,496,800	3,628,100
Employee Benefits	765,493	2,417,600	2,191,600	4,090,400	-9.3%	86.6%	6,242,300	9,377,100
Hydrant Rental	1,214,500	1,214,500	1,214,500	1,214,500	0.0%	0.0%	1,214,500	1,214,500
Nursing Home Subsidy	400,000	350,000	0	350,000	-100.0%	N/A	350,000	350,000
Interest Paid on Taxes	38,903	0	43,000	43,000	N/A	0.0%	43,000	43,000
Tax Relief for Elderly	<u>1,504,760</u>	<u>1,776,600</u>	<u>1,794,400</u>	<u>1,884,100</u>	1.0%	5.0%	<u>1,978,300</u>	<u>2,077,200</u>
Subtotal Miscellaneous	\$8,420,136	\$10,592,800	\$9,837,700	\$12,244,700	-7.1%	24.5%	\$14,632,000	\$17,997,000
Total Miscellaneous	\$10,338,628	\$11,392,800	\$10,645,700	\$13,556,700	-6.6%	27.3%	\$15,794,000	\$19,159,000

BUDGET ANALYSIS AND EVALUATION

Non-Departmental

Non-departmental includes various functions or items not easily classified in specific departments. These include right-of-way charges incurred by the County for surveying services during the year, economic development incentive funds and other items. With respect to economic development incentive funds, the FY2003 budget includes \$110,000 for this purpose. This amount represents level funding over previous years. Incentive funds are used for state grant matches, site improvements, and other costs in connection with economic development activities. The item called "other" includes funds allocated for possible financial obligations under the County's contract with the Industrial Development Authority for the Meadowville tract.

Community Contracts

The county has received \$2.2 million in requests for financial support in FY2003 from charities and not-for-profit organizations. The FY2003 budget includes \$1,379,900 to fund these requests, a decrease of approximately 17% from FY2002. Although the budget generally sustains programs and sponsorships at the prior year's funding level or with minimal increases as resources allow, the current national and regional economic climate mandates conservatism. Within this climate, however, we endeavor to allocate available funds to effectively and equitably meet the needs of the communities that rely on the county's support. This year's budget includes funding for many programs and organizations, including agencies for the homeless (CARES, CARITAS); crisis intervention programs (CASA, Meals on Wheels, Senior Connections, and

MISCELLANEOUS

the YWCA, among others); arts and cultural organizations (Arts Council of Richmond, Carpenter Center, Richmond Symphony, and others.); and educational programs (Science Museum, READ Center, Tri-City Literacy Council, and scholarships at Virginia State University, to name a few). The county's ongoing commitment to the VCU Engineering program is not funded this year due to budgetary constraints; however, the county's original five-year grant of \$500,000 (\$100,000 per year) was fulfilled in FY2001 and a sixth year funded in FY2002. The Richmond Metropolitan Convention and Visitor's Bureau, Richmond Sports Backers, and John Tyler Community College are also recipients of county funding as the county continues to promote growth and development within the region and to identify opportunities for regional relationships that further common goals.

Convention Center Reimbursement

Reimbursement for the Convention Center was established to account for the exchange of funds between the county and the Greater Richmond Convention Center Authority (GRCCA). During construction of the Center expansion, the county's 2% transient occupancy tax is pledged as security for the construction financing. The 2% tax is typically returned to the county during the fiscal year. This reimbursement arrangement has no net financial impact on the county. Additionally, the county provides all proceeds from a 6% transient occupancy tax (in addition to the 2% tax) to GRCCA to finance the expansion. The totals in the above table show the combined 8% tax that is provided to GRCCA. The FY2003 Budget includes a contribution to the Richmond Convention and Visitors Bureau (RCVB) of \$455,100, which represents an increase of \$79,000 over FY2002. This additional funding will be used by RCVB to enhance its marketing and advertising program to attract more business to the Convention Center, Henricus Historical Park, the Canal Walk, and the National Battlefield Park Visitors Center

Employee Benefits

Some costs related to employee benefits are budgeted in central accounts, rather than in individual departments. These costs include health care for retirees, the county's supplemental retirement program, and a portion of costs related to worker's compensation. Due to recommendations in the annual actuarial report, an increase of \$50,000 has

been added for the county's contribution to the supplemental retirement program. In this centralized projection for FY2004-2006, partial funding is included for future merit and benefit increases. Also reflected in FY2004-FY2006 is an increase in worker's compensation based on expected increases in expenses. When incurred, actual costs are recorded in the appropriate department. The budget is subsequently moved to be consistent with the charges should the department not be able to absorb the cost.

Furthermore, the overall FY2003 budget reflects savings attributable to a VRS life holiday. These savings are reflected in individual department narratives.

Hydrant Rental

For FY2002, the county changed its methodology for calculating the payment in lieu of taxes. Rather than basing this reimbursement on the costs of hydrant rental, the county now uses the estimated real estate and property tax revenue the Utilities Department would pay to the county if it were a separate and taxable entity in exchange for the use of fire hydrants for fire protection. For FY2003, the county will be classifying this revenue as a transfer from Utilities rather than a reimbursement in order to comply with GASB 34 guidelines. Estimated real estate and property tax revenue is still the methodology being used to calculate the payment.

Nursing Home

While the Nursing Home operates under the auspices of the Health Center Commission (HCC), the county has been subsidizing Nursing Home operations since FY94. The county's subsidies have been made in order to comply with the requirements of the Hill-Burton Public Facilities Act and in an effort to assist the HCC with operating shortfalls they have been experiencing since inception. The county's obligation under the Hill-Burton Act ended in 1996, although subsidies to assist with operating shortfalls have continued.

Since FY94, the county has contributed over \$9.3 million to the HCC. In FY95, \$2.5 million was provided as a contribution towards the construction and renovation project; a loan of \$975,000 was made in FY2000 and is still outstanding; annual subsidies totaling over \$4.3 million have been made from FY94

MISCELLANEOUS

through FY2002, and in FY2002, an additional advance of \$1.5 million was made to help reduce accounts payable balances as well as assist with ongoing operations. These actions since FY94 total \$9.37 million.

In light of the \$1.5 million advance made in FY2002, no subsidy is planned for FY2003. Projections for FY2004 through FY2006 include funding for subsidies.

Tax Relief for the Elderly

The cost of the elderly and disabled real estate tax relief program is anticipated to increase by 1.0% to \$1,794,400 in FY2003, and increase by an estimated 4.8% each year thereafter due to expected increased eligibility for this program. This program provides full or partial relief from real estate taxes for elderly or disabled individuals who meet specific income and net worth guidelines.